THIRD COMMITTEE: COMMERCIAL POLICY

REPORT OF WORKING PARTY NO. 2 CONCERNING THE CHILEAN AMENDMENT
TO PARAGRAPHS 3 (b) OF ARTICLE 34

Chairman: Mr. C. E. MORTON (Australia)

In its thirtieth meeting on 31 January 1948, Committee III established Working Party No. 2 consisting of the representatives of Afghanistan, Belgium, Chile, India, United Kingdom and the United States to consider the amendment of the delegation of Chile to the Interpretative Note (ii) of paragraph 3 (b) of Article 34.

In its first meeting on 3 February, the Working Party elected Mr. C. E. Morton (Australia) as its Chairman. Australia not being a member of the Working Party the Chairman stated that he would act as co-ordinator of views without taking part in any voting. The Working Party held three meetings.


The Working Party agreed to recommend to Committee III for its consideration an Interpretative Note (ii) to paragraph 3 (b) of Article 34 in the following terms:

"(ii) If on the date of signature of this Charter a Member has in force a system of applying ad valorem rates of duty to established fixed values which remain fixed for a period of time are not subject to regular revision, the provisions of this Article requiring the determination of "actual value" in regard to a particular product shall not apply so long as the value established for that product remains unchanged.

As regards systems of fixed values existing on the date of signature of this Charter which are revised periodically in accordance with average values, the maintenance of such a system would not be considered a material departure from the provisions of paragraph 3 of this Article if such fixed values are revised on the basis of the average of
average of "actual value" over an immediately preceding period of not more than one year, provided a revision is made at any time on the request of interested parties or Members. The revised value should apply to the particular importation or importations which formed the subject of the request for revision of the fixed value, and such revised fixed value shall then continue in force until review is found necessary."

The representatives of Belgium, Chile and India, whilst in agreement with the suggested text, advised that they would consult their respective governments on the matter.

The representative of the United States reserved the position of his government.